

Board of Management

Minutes

Meeting reference: Board 2022-23/04

Date and time: Wednesday 07 June at 5.00pm

Location: Boardroom (Braham Room 019)

Members present: Graham Watson, Interim Chair of Board
Andrew Comrie, Chair, Strategic Development Committee
Jim Crooks, Chair, Audit Committee
Katrina Hodgson, Chair, Finance & Resources Committee
Michael Buchanan, Board Member
Jenni Harrison, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
John Dare, Staff Board Member
Patrick O'Donnell, Staff Board member
Todor Pavlov-Kennedy, Student Board Member
Liam Fowley, Student Board Member

In attendance: Joe Mulholland, Education Scotland (Item 2 only)
Sarah Halliwell, Education Scotland (Item 2 only)
Alastair MacColl, Chair UHI Court (Observing – until Item xx)
Lorenz Cairns, Depute Principal
Catherine Etri, Vice Principal (Academic)
Veronica Lynch, Vice Principal (External)
Iain Wishart, Vice Principal (Operations)
Ian McCartney, Clerk to the Board of Management
Charlea Jefts, HISA Perth (Observing)
Rebecca Bond, HISA Perth (Observing)
Fiona Smith, HISA Perth (Observing)
Hannah Soutar, HISA Perth (Observing)

Apologies: Jenny Hamilton, Board Member
Heather Cormack, Board Member
Debbie McIlwraith-Cameron, Board Member
Derek Waugh, Board Member

Chair: **Graham Watson**

Minute Taker: Ian McCartney

Quorum: 9

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MINUTES

Item		Action
1.	<p>Welcome and Apologies</p> <p>Chair welcomed everyone to the meeting, and noted apologies.</p> <p>Chair extended welcome to new Board Members Jenni Harrison and Alistair Wylie.</p> <p>Chair advised that there would be a number of Observers at the meeting - Alastair MacColl, Chair of UHI Court, plus Charlea Jefts (current HISA Perth officer) and Fiona Smith, Rebecca Bond & Hannah Soutar (HISA Perth officers-elect).</p>	
2.	<p>Education Scotland – Annual Engagement Visit Report</p> <p>Chair welcomed Joe Mulholland and Sarah Halliwell from Education Scotland and thanked UHI Perth staff team for their contribution to the report tabled as Paper 1. Principal noted the positive nature of the Report and the processes undertaken to support this, and also thanked UHI Perth and Education Scotland for the Report.</p> <p>Education Scotland then presented Paper 1, providing a outline background for the Report for the benefit of new members, and highlighting some key areas of positivity including the levels of staff engagement with industry; the feedback received from learners, particularly around induction processes, and how this had been used by PATs; the supportive lecturing staff; the retention of positive practices post-COVID; and the higher than sector Attainment levels achieved.</p> <p>Education Scotland noted the limited number of development points for UHI Perth to work on, but stressed that no Points For Action were required.</p> <p>Chair queried Principal around plans for areas for development. Principal acknowledged that these areas came as no surprise within the report, and that plans were in place to address.</p> <p>Board Member noted clear evidence in substantive movement in a positive way around quality assurance and added congratulations to those offered, before highlighting the positive feedback around links to industry which should assist in curriculum development.</p> <p>Board Member noted strength of report, and queried whether “Satisfactory” outcome was best that could have been achieved. Education Scotland advised that there were no grading option available, and that there was no higher level of feedback achievable.</p>	

3.	Additions to the Agenda There were no additions to the Agenda.	
4.	Declaration of Interest in any Agenda Item John Dare declared interest in Item 8.1 due to undertakings around his Unison role.	
5.	Minutes of Board of Management meeting, 27 March 2022 The minutes were APPROVED as an accurate record of the meeting.	
6.	Matters Arising <i>Current Items relating to 27 March 2023</i> <u>Ref 7.1 – Corporate Parenting Strategy</u> Chair noted that impact report around care-experienced students was not able to be provided to Learner Experience Committee, but had been tabled for information to Board under Item 10.2 <u>Ref 8.1 – Curriculum Review</u> Chair noted that the actions around this were ongoing due to other matters referred to within the agenda. <u>Ref 10.1 – HISA Perth Report</u> Chair confirmed that the Data Sharing Agreement between UHI and HISA referred to within this Item had now been signed by both parties.	
7.1	UHI 2024 Update Chair advised that the Programme Board was meeting regularly ahead of the natural decision-making point of the June meeting of UHI Court, that the UHI Strategy was being worked through a number of iterations, and that workstreams continue to move forward. In summary, steady progress was being made and Programme Board had requested that momentum be maintained. Chair UHI Court advised that the various strands were being pulled together, and reiterated the focus of the project was on impact over the next decade, and, despite fine judgements being required around shifting financial headwinds, there is a high level of optimism that meaningful impact can be achieved around the curriculum and shared central services both in terms of efficiencies and opportunities.	

	<p>Chair UHI Court expected some outputs by end June to be shared over the summer and discussed within the next Board Cycle, and noted that the spirit of collaboration was now a characteristic in how the project was being approached which has not always been the case historically.</p> <p>Principal agreed that collaboration was now far more apparent than previous initiatives, and there was clear evidence of good development in the organisational culture.</p> <p>Board Member noted the outstanding appointment of the UHI Principal and queried how the new Principal would be able to put their stamp on the process. Chair UHI Court advised that the UHI Strategy would be signed off as a partnership and UHI 2024 was about creating the conditions for that to happen and the expectation was that the new Principal would buy into this, whilst allowing for a level of flex in the Strategy.</p>	
7.2	<p>Chair's Report</p> <p>Chair noted nothing to report other than work around UHI2024 but used the opportunity afforded within this item of the agenda to note the financial challenges that had been briefed to the Board for some time and asked that any discussions on the matter focus on the processes moving forward rather than how information has surfaced in the past.</p> <p>Chair advised that the priority should be on ensuring that the Board is briefed appropriately over the summer months, and identified Chairs' Committee as the most appropriate route for provision of support to SMT whilst reserving any decision-making to the Board, with an expectation that the outcome of work taken forward by SMT over the summer be tabled at the next Board meeting. Chair also stressed the importance of ensuring that any formal processes required should be started as soon as possible.</p>	
7.3	<p>Principal's Report</p> <p>Principal highlighted the events held as part of Celebration Week, including the Employer Engagement event, the OBI Awards, and the UHI Perth Prizegiving, and noted the high level of engagement and support for students present throughout the week. In addition, Principal advised that an online graduation ceremony for 221 engineering students had been held with UHI Perth's Chinese partners that morning.</p> <p>Principal noted that the substantive matter within the Report focused on items that had been circulated to staff regarding the processes around the financial position and the ongoing consultation, and opened the floor to comments and questions from the Board.</p>	

	<p>Staff Board Member advised that staff feelings around the original email were not positive as it did not look like a consultation, rather it looked like a statement of intent and, whilst this position had been amended in subsequent communications and Q+A engagement opportunities with staff, there still wasn't as much detail as would have been expected and would welcome this being addressed.</p> <p>Principal conceded that the timings around different communications had been unfortunate and, whilst the language around the communications being simply "proposals" are open to challenge, the important aspect was all staff seeing the impact of the financial position in black and white. Principal added that the process was part of a meaningful consultation, as has been evidenced by the moving of the consultation dates and removal of the Nursery from the proposals.</p> <p>Student Board Member echoed Staff Board Member's concerns and noted that other Colleges going through a similar process had produced significant financial detail around proposals, and queried why UHI Perth had not received the same level of detail.</p> <p>Principal noted that extensive consultative meetings are being held with the recognised Trade Unions, as is the legal requirement, and this is where the detailed financial analysis is being discussed. Principal advised that it's a judgement call in terms of how much data is shared and the purpose behind this. Principal further advised that SMT cannot guarantee that the same level of detail as provided by other Colleges will be provided at UHI Perth as it's a fast-developing issue.</p> <p>Chair noted that the Board will rightly expect rationales and justifications for any proposals to allow any decisions around SMT recommendations to be made by the Board.</p> <p>Board Member noted it had been a positive step removing Nursery from the conversation at this point in the consultation due to non-financial factors.</p> <p>Student Board Member queried whether an Impact Assessment on students had been considered, why communications to students on the matter had been so much slower to be issued than elsewhere, and why HISA Perth had been informed that the decision was an operational matter given the risk to reputational damage for the organisation.</p> <p>Principal acknowledged that communications could have been handled better, and stressed that an Equality Impact Assessment will be undertaken as part of the process which will include reference to impacts caused by anxiety.</p> <p>Student Board Member noted an expectation that the Board would</p>	
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	<p>have been informed in advance. Principal advised that a decision had been made to inform everyone at the same time.</p> <p>Chair noted that there may be different views on the methods and timings of communication, but stressed that there has been absolute transparency on the problems being faced, and the priority is to focus on what is happening over the summer, in particular the development of robust business cases, and that a “lessons learned” exercise can follow in due course.</p> <p>Student Board Member noted that there was no mention of Hairdressing being affected at the joint meeting of Strategic Development and Finance & Resources Committees. Chair noted that Board has responsibility to ensure SMT are providing oversight in order to deliver financial sustainability but not get involved in the operational aspects of the proposals.</p> <p>Board Member agreed that the size of the likely deficit for 2023/24 has been known to the Board for some time, and it is absolutely correct to let SMT develop plans to address this and provide the data required for decisions to be made by the Board.</p> <p>Board Member noted that, with specific regard to the Nursery, financial issues had previously been advised to the joint meeting of Strategic Development and Finance & Resources Committees, however there needs to be some analysis of the impact on student experience where a nursery will be required, including alternative arrangements.</p> <p>Board Member suggested that any financial modelling provided to the Board for decision-making, as well as focusing on impact of student experience, could be based on the headcount reduction in certain identified areas, looking at potential future income loss as well as cost reduction in those areas. This course of action was AGREED.</p> <p>Chair concluded this part of the discussion by noting an expectation that no proposals would be tabled for the Board to decide upon without prior endorsement of Chairs’ Committee.</p> <p>Returning to Paper 3, Chair queried impact of Action Short of a Strike. Principal advised that 50% of HE work had currently been marked and arrangements for graduation and progression were being looked at with UHI. FE marking needs to be looked at, but progression does allow for some mitigating actions.</p> <p>Board Member queried reference to UHI 2024 HR system procurement. Principal noted that the SPUC framework had identified a single provider, with a mid-May target for completion, however the provider then cooled on the deal leaving no option but to withdraw based on a balance of risk. APUC will restructure the</p>	
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	<p>framework then undertake the procurement exercise, however this now means a delay in the delivery timescale until around September.</p> <p>Board Member queried 4Nations event at Thinking The Unthinkable, in particular any radical thinking that may impact on UHI Perth's strategy. Principal advised that the draft Thinking The Unthinkable report that was due to be presented to the Scottish Government was not necessarily radical, but does ask questions about how the sector can actually change. Chair noted the independent review of the Skills Delivery Landscape in Scotland report issued to Board Members earlier in the day.</p> <p>Student Board Member sought reassurance that HISA Perth would be kept up to date with any issues surrounding the consultation process, including any requirement for an Extraordinary Board meeting, given new officers do not start in office until August. Clerk noted that the Standing Orders had not been affected by HISA's contractual changes, and that the 2 nominated Student Board Members are still deemed Board Members from 1st July.</p> <p>Paper 3 was NOTED by the Board.</p>	
7.4	<p>HISA Perth Report</p> <p>Student Board Members presented Paper 4 for information, noting that most of the Plan of Work had been achieved, and advising that the recent OBI Awards had been a particular success with increased record numbers.</p> <p>Board NOTED Paper 4, and thanked the Student Board Members and their HISA colleagues for their work and contribution over the past year.</p>	
8.1	<p>Financial Sustainability</p> <p>Principal presented Paper 5 for approval, noting that this Paper constituted 2 parts – firstly the approval of a request for an Enhancement to the Voluntary Severance (VS) scheme; and secondly seeking approval to develop a business case for Compulsory Redundancies to present to the Regional Strategic Body (RSB) and then to the Scottish Funding Council (SFC).</p> <p>Principal noted that the intention was to avoid the need for CR at all costs, however a VS scheme had been open for some time and enhancing this scheme seems the most sensible route to achieve this.</p> <p>Board Member expressed support for the proposals, but asked for an update on what has been achieved via current VS scheme, and</p>	

	<p>requested information around potential income losses associated with any CR. This course of action was AGREED.</p> <p>Board Member queried whether there would be any support from Scottish Government to implement the VS. Principal advised that the College would be looking to UHI Executive Office for support where possible.</p> <p>Board Member welcomed enhancement for VS, however noted the risks of flagging up CR at this stage, particularly around heightened tensions among staff, and asked whether a “wait and see” approach would be preferable. Chair agreed that this approach would be desirable, however advised that the scale of the deficit presents a challenge and it would be useful for Scottish Government to be aware that the option is required, albeit as a last resort for the worst case scenario.</p> <p>Board Member noted that the current VS scheme had been open for quite some time, and sought detail on how the enhancement proposals were reached, and the likely risks of the proposed scheme in terms of curriculum delivery should there be a wide uptake among staff. Principal noted that the current VS scheme is effectively statutory rates; calculations have been made around greater generosity for staff members with less service which should provide greater appeal for a wider audience, and the College have already received interest from staff. Principal further noted that all VS schemes contain an opt-out clause to protect specialist roles, however the assumption is that applications will be approved unless there is a good reason not to.</p> <p>Board Member noted the reality of requiring a CR option, and that the Board needs to be honest as to its necessity should the VS scheme potentially skew the curriculum offer. Principal advised that skewing of the curriculum cannot be allowed to happen, therefore College would look at targeted VS where appropriate.</p> <p>Student Board Member expressed support for the enhanced VS scheme and expected that recent events would drive more staff to this option, and expressed reassurance that CR would only be used as a last resort, however would prefer if Board were able to consider this option at a later date via an Extraordinary Board. Chair advised that, as the College does not have the luxury of holding reserves, and as the process of approval via RSB/SFC takes time, the need to have the CR process in place legally means that time is a factor.</p> <p>Board Member queried absolute deadline for balanced Budget for 2023/24. Vice Principal (Operations) noted there was no specific deadline however Board approval would be required. Vice Principal (Operations) further noted that it would be some weeks before the Budget would be in a position to be put forward for approval. Board Member advised that the Board should not be removing any options</p>	
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	<p>from SMT to allow them to achieve a balanced Budget, preferably as soon as possible within the new Financial Year. Chair agreed, but advised that Budget may require some assumptions at that stage.</p> <p>Chair invited Vice Principal (Operations) to provide some detail on options to support VS scheme. Vice Principal (Operations) advised there was no funding available from the Scottish Government at the moment, however EO were releasing some historic ESIF monies which meant £1.2m was to be received, which would in effect halve the current year's deficit and put some unexpected cash in the bank. Vice Principal (Operations) also advised that clarification was being sought from EO regarding release of clawback.</p> <p>Board Member queried previous position at the recent joint meeting of Strategic Development and Finance & Resources Committees where the £3.2m projected 2023/24 deficit seemed to be based on assumption that there would be no clawback received. Vice Principal (Operations) advised that there would always be some form of clawback to be considered, but that the outline deficit position looked to provide a realistic position based on income with clawback built in rather than having to wait on numbers being received in-year. Board Member expressed discomfort on assumptions being made given the lack of understanding among some Members re deficit position. Chair stressed that no decision would be made until the detailed proposals were received from SMT.</p> <p>Board APPROVED the request for enhancement of the Voluntary Service scheme per Paper 5.</p> <p>Board also APPROVED that SMT develop a business case for Compulsory Redundancy, on the basis that this would not be implemented without final Board approval.</p>	
9.1	<p>Perth College Management Accounts to 30 April 2023</p> <p>Board NOTED Paper 6, which had previously been scrutinised at the Joint Meeting of Strategic Development and Finance & Resources Committees.</p>	
10.1	<p>Balanced Scorecard</p> <p>Board NOTED Paper 7, which had previously been scrutinised at the Joint Meeting of Strategic Development and Finance & Resources Committees and at Audit Committee.</p>	
10.2	<p>Annual Report on Safeguarding</p> <p>Board NOTED Paper 8.</p>	

11	<p>Standing Committee Summaries</p> <p>Board received summaries from the Chairs of each Standing Committee and NOTED the following minutes:</p> <ul style="list-style-type: none"> • Learner Experience Committee, 26 April 2023 • Chairs' Committee, 02 May 2023 • AST Board, 18 May 2023 • Joint Strategic Development and Finance & Resources Committees, 22 May 2023 • Audit Committee, 30 May 2023 <p>In addition, Board RATIFIED decision of the Learner Experience Committee (Paper 9a) to discontinue the use of a localised Student Partnership Agreement and instead adopt the Regional Student Partnership Agreement. This ratification was required due to Learner Experience Committee being inquorate.</p> <p>Chair asked for an update around the Development Trust winding up referred to within Paper 9d. Vice Principal (External) advised that work was ongoing with OSCR regarding the legal processes, and that routes to income part of the proposal document would be considered within the wider consultation process.</p> <p>Chair noted the reference in Paper 9d around Risk Appetite and requested that this be included on the agenda of the appropriate Committee at the earliest convenient opportunity.</p> <p>Chair of Audit requested that Board ratify the position of Audit Committee around scheduling the Board External Effectiveness Review, earmarked for 2024/25, within the business for 2023/24 as Internal Audit will be reviewing this area of governance with this academic year. This proposal was APPROVED.</p>	
12	<p>Meetings Schedule 2023/24</p> <p>Chair noted that the draft Meetings Schedule had been discussed at Chairs' Committee and minor amendments adopted within Paper 10, and that the proposals around a small increase in afternoon meetings and some additional informal opportunities around Board meetings should be welcomed.</p> <p>Board APPROVED Paper 10.</p>	
13	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Tuesday 17 October 2023 at 5:00pm 	
14	<p>Review of Meeting</p>	

	Board confirmed that the meeting had been conducted in line with the Terms of Reference.	
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Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open ☒

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998? **Yes** ☐ **No** ☒